

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT

EAST CENTRAL
INTERGOVERNMENTAL ASSOCIATION
DUBUQUE, IOWA

JUNE 30, 2009

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Your Business Safety Net

INDEPENDENT AUDITOR'S REPORT

Council Members
East Central Intergovernmental
Association
Dubuque, Iowa 52002

We have audited the accompanying basic financial statements of the East Central Intergovernmental Association as of June 30, 2009, and for the year then ended, as listed in the table of contents. These basic financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, Chapter 11 of the Code of Iowa, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the East Central Intergovernmental Association as of June 30, 2009, and the respective changes in financial position, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 5 through 5.9 and pages 27 through 28 and page 34 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the East Central Intergovernmental Association's basic financial statements. The schedule of expenditures of federal awards, which is required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, as well as the schedule of expenditures of state financial assistance and other supplemental information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the East Central Intergovernmental Association. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated November 5, 2009 on our consideration of East Central Intergovernmental Association's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Foster and Tempel, S. C.

November 5, 2009

MANAGEMENT'S DISCUSSION AND ANALYSIS

**EAST CENTRAL INTERGOVERNMENTAL ASSOCIATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

The East Central Intergovernmental Association (ECIA) is a membership supported organization of local governmental bodies in Cedar, Clinton, Delaware, Dubuque, and Jackson Counties in eastern Iowa. The purpose of ECIA is to provide management and technical assistance to local government staff and elected officials.

ECIA exists because of a need for local governments facing similar problems to cooperate in finding solutions. This cooperative effort, through ECIA membership, provides greater resources to local governments than they would be able to afford individually. The sharing of resources and discussion of common concerns vastly improves the quality and consistency of solutions to local and regional problems. Costs are held at a level that allows all local governments in the region to participate. ECIA strives to provide "A Regional Response to Local Needs."

As management of ECIA, we offer the readers of ECIA's financial statements this narrative overview and analysis of the financial activities of ECIA for the year ended June 30, 2009. The financial statements of ECIA consist of the operations of ECIA (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by ECIA). The financial statements do not include ECIA Business Growth, Inc., the Eastern Iowa Regional Utility Service Systems (EIRUSS), the Eastern Iowa Regional Housing Authority (EIRHA) or the Delaware, Dubuque and Jackson County Regional Transit Authority (RTA), which have been formed as separate and distinct entities.

We encourage readers to consider the information presented here in conjunction with ECIA's financial statements, which follow this discussion and analysis. This report complies with the Governmental Accounting Standards Board (GASB) Statement 34 reporting model.

Fiscal Year 2009 was a year defined by the weather and the economy. Our fiscal year began in July, 2008, immediately following record spring rainfall and severe flooding in the region. ECIA staff have been engaged with our communities, our partner Councils of Government and the State in administering both State and Federal flood recovery programs. On the heels of the flood came the official declaration that the Country was in the worst recession since the Great Depression. In response to the economic crisis, the federal government enacted the American Recovery and Reinvestment Act (ARRA) and the State of Iowa responded with IJOBS. Our staff have been responding to stimulus grant competitions, inquiries, and additional program funding at the Federal and State levels.

Region-wide flood related funding to date administered through our community development program totaled \$4 million. Staff continue to work diligently to assist households displaced by the disaster. The Eastern Iowa Regional Housing Authority received \$289,892 in additional Capital Fund program funding for public housing related improvements. The Regional Transit Authority received \$195,000 in stimulus funds for three new buses, relieving some of the maintenance costs and enabling RTA to use that savings for route expansions. The RTA was also very successful in its fundraising efforts, generating nearly \$50,000 in local match for the purchase of new buses. The Dubuque Metropolitan Transportation Study received \$2,900,000 in ARRA funds, with the Board earmarking all the funds for the Southwest Arterial project. The Region 8 Regional Planning Affiliation received \$4,291,730 in ARRA funds and funded 11 regional projects. Business Growth was awarded \$500,000 in a revolving loan through EDA

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disaster funds to recapitalize its loan program. Business Growth also assisted nine businesses through the Business Jumpstart Flood program. Forgivable loans totaling \$240,375 were provided to these businesses. Our employment and training staff were also busy with flood related funding, employing more than 18 dislocated workers in Delaware and Dubuque Counties in flood cleanup positions.

As we look to fiscal 2010, the staff at ECIA continues to remain focused on providing excellent services to our members in the region.

FINANCIAL HIGHLIGHTS

- The assets of ECIA exceeded its liabilities at June 30, 2009 by \$201,520 (net assets). Of this amount, \$274,650 (unrestricted net assets) may be used to meet ECIA's ongoing obligations to member communities and creditors.
- ECIA's net assets decreased by 38.6%, or \$126,506, from June 30, 2008 to June 30, 2009.
- As of the close of the fiscal year, ECIA's fund balance was \$274,650, an increase of \$20,674 in comparison with the prior year.
- Total revenues increased 105.1%, or approximately \$4.5 million, from fiscal 2008 to fiscal 2009. This was primarily due to flood recovery funding provided by the State of Iowa. Total expenditures increased 66.2%, or approximately \$3.6 million from fiscal 2008 to fiscal 2009. This was also primarily due to the pass thru of state flood recovery funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to ECIA's basic financial statements. The financial statements included in this report are designed to provide readers with a broad overview of ECIA's finances, in a manner similar to a private sector business. ECIA utilizes the accrual basis of accounting, which recognizes revenues and expenses when earned, regardless of when cash is received or paid. The following statements are included in this report:

- Statement of Net Assets – This statement presents information on all of ECIA's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of ECIA is improving or deteriorating.
- Statement of Activities – This statement is prepared on the accrual basis of accounting and presents functional expenses offset by revenue sources that are directly related.
- Balance Sheet Governmental Funds – This statement is prepared on the current financial resources measurement focus that generally only includes current assets and current liabilities.

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- A reconciliation between the Balance Sheet-Governmental Funds and the Statement of Net Assets.
- Statement of Revenues, Expenditures and Changes in Fund Balance – This statement is prepared on the modified accrual basis of accounting and reports ECIA's operating revenue by major source, along with operating expenses.
- A reconciliation between the full accrual basis accounting statement (Statement of Activity) and the modified accrual basis statement (Statement of Revenues, Expenses and Changes in Fund Balance).
- Notes to financial statements – This section provides additional information that is essential to a full understanding of the data provided in the financial statements.
- Supplemental Information – In addition to the basic financial statements and accompanying notes, this section of the report presents certain required supplementary information, providing detailed information by program and by project, as well as a schedule of Federal Financial Assistance.

ANALYSIS OF NET ASSETS

As previously noted, net assets may serve over time as a useful indicator of ECIA's financial position. ECIA's net assets decreased by \$126,506 from a year ago. The analysis that follows illustrates the changes in the components that make up net assets.

CONDENSED STATEMENT OF NET ASSETS

	2009	2008	NET CHANGE	PERCENT CHANGE
Cash and investments	397,363	212,353	185,010	87.1
Other Current Assets	602,127	418,892	183,235	43.7
Capital Assets	1,314,318	1,189,182	125,136	10.5
Total Assets	2,313,808	1,820,427	493,381	27.1
Current Liabilities	766,535	410,448	356,087	86.8
Long-Term Liabilities	1,345,753	1,081,953	263,800	24.4
Total Liabilities	2,112,288	1,492,401	619,887	41.5
Net Investment in Capital Assets	(73,130)	74,050	(147,180)	(198.8)
Unrestricted	274,650	253,976	20,674	8.1
Total Net Assets	201,520	328,026	(126,506)	(38.6)

Total assets increased by 27.1%, from \$1,820,427 in FY 2008 to \$2,313,808 in FY 2009. This increase was primarily attributable to the advance of flood recovery funds by the State of Iowa in the amount of \$339,000 as well as the completion of the joint ECIA/RTA

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facility, which added approximately \$288,000 to capital assets. This increase was partially offset by the donation of land to the RTA in the amount of \$169,171. The land was donated to the RTA as match for the grant the RTA received to fund the construction of its portion of the joint facility.

Cash decreased by \$185,010, primarily due to the advance of flood recovery grant funds by the State of Iowa. Accounts & Grants Receivable increased from \$369,573 in FY 2008 to \$572,641 in FY 2009 primarily due to additional funding made available by the EDA, two Safe Routes to School grants secured by ECIA and two new grants for the funding of the economic development efforts of Prosperity Eastern Iowa (PEI). Prepaid Expenses decreased by \$19,833 primarily due the timing of the payment of health insurance and workers comp premiums

Capital assets increased \$125,000 in FY 2009 due to the completion of the new ECIA facility. As previously noted, this increase was slightly offset by the donation of land to the RTA.

Current liabilities increased from \$410,448 in FY2008 to \$766,535 in FY2009. This increase is primarily due to deferred revenue of \$339,110 received from the State of Iowa for flood recovery efforts. The long-term liability line item reflects the loans for the purchase of a 2008 Dodge Avenger in FY07 and the purchase of a 2008 Dodge Avenger in FY09 as well as the advances on the Economic Development Revenue note for the completion of the facility. Of the total outstanding balance of the loans, \$41,695 is classified as current and \$1,345,753 as long-term.

ANALYSIS OF REVENUES AND EXPENDITURES

In FY 2009 and FY 2008, total revenues were \$8,751,011 and \$4,266,868 respectively, an increase of approximately \$4.5 million or 105.1%. Total Expenditures for the same period increased \$3.6 million or 66.2%. A comparison of income and expenditures is outlined in the following table.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE

	2009	2008	NET CHANGE	PERCENT CHANGE
REVENUES				
Federal	1,658,622	1,213,900	444,722	36.6
State of Iowa	4,085,485	80,690	4,004,795	4963.2
State of Wisconsin	788	787	1	0.1
Membership Fees	90,242	86,338	3,904	4.5
Fees and assessments	237,120	258,055	(20,935)	(8.1)
EIRHA	1,203,798	1,195,325	8,473	0.7
CDBG Admin	302,792	250,474	52,318	20.9
ECIA Business Growth	242,581	260,097	(17,516)	(6.7)
Workforce Investment Act	456,861	401,796	55,065	13.7
EIRUSS	57,988	75,081	(17,093)	(22.8)
RTA	367,775	442,472	(74,697)	(16.9)
Interest	6,131	1,631	4,500	275.9
Miscellaneous	40,828	222	40,606	18291.0
Total Revenues	8,751,011	4,266,868	4,484,143	105.1

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STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE - CONTINUED

	2009	2008	NET CHANGE	PERCENT CHANGE
EXPENDITURES				
Salaries, wages and benefits	2,990,557	2,982,886	7,671	0.3
Office supplies & operating materials	44,330	38,525	5,805	15.1
Conference and training	51,762	13,959	37,803	270.8
Business travel	115,615	101,196	14,419	14.2
Printing	14,490	10,874	3,616	33.3
Equip rental and maint	17,120	15,559	1,561	10.0
Office maintenance	2,668	222	2,446	1101.8
Insurance and bonding	23,719	67,192	(43,473)	(64.7)
Dues and subscriptions	15,128	15,084	44	0.3
Telephone	29,757	29,648	109	0.4
Postage	42,466	41,607	859	2.1
Rent	36,453	117,010	(80,557)	(68.8)
Property Taxes	27,064	25,680	1,384	5.4
Utilities	24,105	20,713	3,392	16.4
Advertising	4,635	3,061	1,574	51.4
Professional fees	70,525	38,057	32,468	85.3
Marketing	96,837	64,506	32,331	50.1
Equipment purchases	351,280	1,167,209	(815,929)	(69.9)
Long-term debt principal	35,904	14,715	21,189	144.0
Interest Expense	66,176	0	66,176	100.0
Miscellaneous	9,339	1,790	7,549	421.7
Pass through grant expense	3,955,575	0	3,955,575	100.0
WIA program costs	1,013,052	667,696	345,356	51.7
 Total Expenditures	 9,038,557	 5,437,189	 3,601,368	 66.2
 Excess of Revenues over Expenditures	 (287,546)	 (1,170,321)	 882,775	 (75.4)
 Proceeds From Long-term Borrowing	 308,220	 1,103,095	 (794,875)	 (72.1)
 Excess of Revenues and Other Financing Sources over Expend	 20,674	 (67,226)	 87,900	 (130.8)
 Beginning Fund Balance	 253,976	 321,202	 (67,226)	
 Ending Fund Balance	 274,650	 253,976	 20,674	 8.1

Federal funding increased by \$444,000 primarily due to ARRA funding received by the WIA programs. Funding received from the State of Iowa increased by \$4.0 million due to the Jumpstart Housing and Small Business flood recovery programs. Fees and assessments decreased approximately \$21,000 due to a decrease in the number of land use planning projects during FY09. CDBG administration income increased \$52,000 due to the addition of staff to assist in the administration of flood recovery and hazard mitigation grants. ECIA Business Growth admin income decreased \$17,000 due to a decrease in loan activity in that program. Income from the WIA program increased by \$55,000 due to the ARRA funding which prompted the hiring of two temporary staff members to administer the Summer Youth Program. Income from the administration of

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the EIRUSS program decreased \$17,000 as two sewer projects were completed during the fiscal year. RTA admin income decreased \$75,000 primarily due to the elimination of one full-time dispatch position. Interest income increased by \$4,500 due carrying a larger than normal cash balance due to the state flood recovery funds. Miscellaneous income consists of \$10,600 received from ECIA Business Growth, Inc. for building signage, \$20,000 in Jumpstart Small Business funds received by the RTA and passed on to ECIA to cover additional expenses resulting from the spring flooding and the delay in the move to the new facility, \$6,800 in occupancy income for the month of August and \$1,600 from the sale of cellular phones.

Revenue by Funding Source for Fiscal 2009 is summarized as follows:

US Department of Housing & Urban Development	31.7%
US Department of Labor	12.1%
US Department of Transportation	10.2%
CDBG EDSA/PFSA Administration	8.0%
Special Contracts	7.5%
US Department of Health & Human Services	6.5%
Business Growth	6.4%
Service Fees & Assessments	5.3%
State (COG Assistance/Marketing Grant)	4.5%
US Department of Commerce	3.1%
Membership Fees	2.4%
IA Department of Natural Resources	1.1%
County Funds	0.5%
US Department of Economic Development	0.4%
US Department of Homeland Security (FEMA)	0.3%
Total	100%

Office supplies increased \$5,800 due non-capital expenditures related to the new facility. Conference and training expense increased \$37,800 due to participation in training designed to help staff better meet the needs of the communities we serve. Training included OSHA, flood related issues, transportation, low income housing tax credit financing and transit. Printing expense increased approximately \$3,600 due to printing of brochures as well as notices regarding the agency's move to a new location. Equipment rental/maintenance increased due to increased usage of the copy machines. Office maintenance increased \$2,400 due to the maintenance required by owning our own facility. Insurance costs decreased by \$43,000 due to membership in the Iowa Communities Assurance Pool, which decreased ECIA's insurance expense by \$34,000, as well as the RTA paying their umbrella insurance directly rather than having the cost pass thru ECIA. Utility costs increased by \$3,400 due to occupying a larger facility in FY09. Professional fees increased \$32,000 due to \$6,800 in temporary employee services to cover staff medical/maternity leave, \$7,400 for EIRHA's share of the tax credit compliance contract with the Iowa Finance Authority, \$2,600 for Safe Routes to School Grant data entry and \$15,000 for PEI consulting fees. Marketing increased by \$32,000 due to efforts supported by PEI. Equipment purchases decreased \$816,000 as the majority of the construction cost of the building occurred in FY08. Long term debt principal and interest expense increased due to the loan on the ECIA facility. WIA program costs increased approximately \$345,000 as a result of ARRA funding and increased Rapid Response grant funding due to increased layoffs in the region.

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OVERVIEW OF BUDGETS

ECIA annually adopts a budget on a basis consistent with generally accepted accounting principles. Budgets are adopted for the general fund and appropriations lapse at fiscal year end. Salaries and operating expenses are allocated in accordance with a pre-approved "Cost Allocation Plan."

The ECIA Council approved one budget amendment in May 2009. Differences between the original budget and the final amended budget can be summarized as follows:

- The original revenue budget of \$3,647,377 was increased to \$7,781,427, an increase of \$4.1 million. This was primarily due to the income received from the State of Iowa for the Jumpstart Housing and Small Business flood relief programs.
- The original expenditure budget of \$3,605,274 was increased to \$8,056,986, an increase of \$4.5 million. This increase was also primarily due to the pass thru of the flood recovery funds.

The Salary expense budget was increased due to the hiring of additional staff in the Community Development department to assist with hazard mitigation and flood recovery grant efforts. The Conference and training expense budget was increased by \$20,000 due to additional opportunities for training in flood recovery, OSHA, transit and transportation. The budget for business travel was increased \$10,000 due to the need for additional travel for flood recovery efforts. The Equipment rental and maintenance budget was increased by \$7,766 due to including asset purchases funded by grants on this line. Insurance was decreased by \$46,000 due to participation in ICAP. The budget for rent and property taxes was increased by \$37,000. When preparing the original budget, we had not taken into consideration the fact that property taxes are paid in arrears and even though we were no longer renting office space, we still owed one year's taxes. In addition, the move to the new facility was delayed, resulting in an additional two months of rent. Also, the WIA staff moved into a larger facility resulting in an increase in rent of \$2,700 for the year. The utility budget was decreased \$3,600 as actual utility expense was lower than anticipated. The advertising budget was increased \$2,000 due to classified advertising expense for staff positions in Community Development and Transit. The Professional fees budget was increased \$23,924 due to the IFA contract and Safe Routes to School grants and for relocation expenses due to the ECIA move in July, 2009 and the WIA staff relocation in December, 2009. The marketing budget was increased by \$41,000 due to the funding of additional PEI grants through the Iowa Department of Economic Development. The budget for Equipment purchases was increased by \$306,425. ECIA originally anticipated completing the building in FY08; however, due to weather delays, the building was not completed until July 2008, resulting in the final building costs being booked in FY09. Pass-through grant expense was increased \$4,000,000 due to the State of Iowa flood recovery funding. Miscellaneous expense budget was increased by \$1,100 primarily due to ECIA's partnership in the Riverlands Initiative. The budget for Proceeds from long-term borrowing was increased \$290,000 due to the final draw on the building loan occurring in FY09.

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RESULTS OF OPERATIONS

ECIA's management was pleased with the operating results for the fiscal year ending June 30, 2009. The amended budget anticipated excess revenue over expenditures of \$32,607. Actual results of operations reflected excess revenues of \$20,674.

Operating revenues were approximately \$43,000 or .6% lower than budgeted. Operating expenditures were \$31,000 or .4% less than budgeted. This was primarily due to the timing of flood recovery funding. The following table illustrates these points:

COMPARISON OF BUDGET VS. ACTUAL

	BUDGET	ACTUAL	VARIANCE	PERCENT
REVENUES				
Federal	631,056	645,570	14,514	2.3
State of Iowa	4,009,412	4,085,485	76,073	1.9
State of Wisconsin	787	788	1	0.1
Membership Fees	90,242	90,242	0	0.0
Fees and assessments	363,650	237,120	(126,530)	(34.8)
CDBG/EDSA Admin	372,618	302,792	(69,826)	(18.7)
EIRHA	1,237,779	1,203,798	(33,981)	(2.7)
ECIA Business Growth	241,394	242,581	1,187	0.5
Workforce Investment Act	462,254	456,861	(5,393)	(1.2)
Regional Transit Authority	367,728	367,775	47	0.0
EIRUSS	0	57,988	57,988	100.0
Interest	4,507	6,131	1,624	36.0
Miscellaneous	0	40,828	40,828	100.0
Total Revenues	7,781,427	7,773,959	(43,468)	(0.6)
EXPENDITURES				
Salaries, wages and benefits	2,990,000	2,990,557	557	0.0
Office supplies & operating materials	42,500	43,512	1,012	2.4
Conference and training	40,000	52,580	12,580	31.5
Business travel	100,000	115,615	15,615	15.6
Printing	14,500	14,490	(10)	(0.1)
Equip rental and maint	17,766	17,120	(646)	(3.6)
Office maintenance	0	2,668	2,668	100.0
Insurance and bonding	24,000	23,719	(281)	(1.2)
Dues and subscriptions	17,000	15,128	(1,872)	(11.0)
Telephone	30,000	29,757	(243)	(0.8)
Postage	40,000	42,466	2,466	6.2
Rent	37,000	36,453	(547)	(1.5)
Property taxes	28,000	27,064	(936)	(3.3)
Utilities	28,000	24,105	(3,895)	(13.9)
Building Loan Interest	71,000	66,176	(4,824)	(6.8)
Advertising	5,000	4,635	(365)	(7.3)
Professional fees	69,924	70,525	601	.9
Marketing	87,000	96,837	9,837	11.3
Equipment purchases	354,696	351,280	(3,416)	(1.0)
Long-term debt principal	50,000	35,904	(14,096)	(28.2)
Pass-through grant expense	4,000,000	3,955,575	(44,425)	(1.1)
Miscellaneous	10,600	9,339	(1,261)	(11.9)
Total Expenditures	8,056,986	8,025,505	(31,481)	(0.4)

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COMPARISON OF BUDGET VS. ACTUAL - CONTINUED				
	BUDGET	ACTUAL	VARIANCE	PERCENT
Excess of Revenues over Expenditures	(275,559)	(287,546)	(11,987)	4.4
Other Income				
Proceeds from LT Borrowing	308,166	308,220	54	0.0
Excess of Revenues and Other Income				
Over (Under) Expenditures	32,607	20,674	(11,933)	(36.6)

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2009, ECIA had \$1,314,318 invested in capital assets (net of depreciation), including a building, office furniture and equipment and agency vehicles. Total outstanding debt was \$1,387,448, which represents the outstanding balance of the Economic Development Revenue Note used to fund the building and the two loans used to purchase agency vehicles. Outstanding debt exceeds capital assets as the purchase of the land was funded by the Economic Development Revenue Note and subsequently \$169,000 in land was donated to the RTA as match for the RIIF grant which funded the portion of the building owned by the RTA.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

ECIA's management and Council considered many factors when setting the fiscal year 2010 budget and the fees that will be charged for services, endeavoring to keep costs low for our members, while covering staff and overhead costs. Membership fees will increase from \$.46 to \$.48 per capita in Fiscal 2010. The hourly billing rates for all staff will increase 3% or \$2.00 per hour in order to keep pace with cost of living increases. Increases in employee health insurance costs will continue to be a concern in the year ahead. Decreases in State and Federal funding levels will also be a concern.

As we progress into 2010, we will continue to work collaboratively, developing new and building on already successful partnerships, while the staff at ECIA remains committed to building strong and healthy communities and making our region a great place to live and work.

FINANCIAL CONTACT

These financial statements are designed to provide our member communities, funding agencies and creditors with a general overview of ECIA's finances and to show ECIA's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to ECIA's Executive Director or Director of Finance and Human Resources, 7600 Commerce Park, Dubuque, IA 52002.

BASIC FINANCIAL STATEMENTS

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF NET ASSETS
June 30, 2009

	<u>Governmental Activities</u>
ASSETS	
Current assets	
Cash and investments	\$ 397,363
Accounts receivable	354,619
Grants receivable	218,022
Prepaid fees and expenses	29,486
Total current assets	<u>999,490</u>
Noncurrent assets	
Property and Equipment	
Building	1,049,080
Equipment and furniture	225,530
	<u>1,274,610</u>
Accumulated depreciation	(181,555)
	<u>1,093,055</u>
Land	221,263
Total noncurrent assets	<u>1,314,318</u>
Total assets	<u><u>\$ 2,313,808</u></u>
LIABILITIES	
Current liabilities	
Excess of outstanding checks over bank balance	\$ 20,808
Current portion of long-term obligations	41,695
Accounts payable	65,420
Deferred revenue	
Grants	339,110
Prepaid memberships	10,198
Accrued liabilities	
Vacation and holiday pay	189,293
Salaries and wages	8,539
Other	91,472
Total current liabilities	<u>766,535</u>
Noncurrent liabilities	
Noncurrent portion of long-term obligations	1,345,753
Total liabilities	<u>2,112,288</u>
NET ASSETS	
Investment in capital assets, net of related debt	(73,130)
Unrestricted	274,650
Total net assets	<u>201,520</u>
Total liabilities and net assets	<u><u>\$ 2,313,808</u></u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF ACTIVITIES
For the year ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net Revenue (Expense) and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities					
Salaries, wages and fringe benefits	\$ 2,779,079	\$ 914,726	\$ 1,800,942	\$ -	\$ (63,411)
Office supplies	41,362	13,614	26,804	-	(944)
Operating materials	409	135	265	-	(9)
Conferences and training	50,145	16,505	32,496	-	(1,144)
Business travel	98,658	32,473	63,934	-	(2,251)
Printing	12,286	4,044	7,962	-	(280)
Equipment rental and maintenance	13,396	4,409	8,681	-	(306)
Office maintenance	2,664	877	1,726	-	(61)
Insurance and bonding	21,352	7,028	13,837	-	(487)
Dues and subscriptions	13,397	4,410	8,682	-	(305)
Telephone	29,164	9,599	18,899	-	(666)
Postage	39,499	13,001	25,597	-	(901)
Rent	26,289	8,653	17,036	-	(600)
Property taxes	26,532	8,733	17,194	-	(605)
Utilities	23,789	7,830	15,416	-	(543)
Advertising	4,497	1,480	2,914	-	(103)
Professional fees	66,912	22,024	43,361	-	(1,527)
Marketing	96,837	31,874	62,754	-	(2,209)
Depreciation	56,973	18,752	36,921	-	(1,300)
Land donation	169,171	55,682	109,629	-	(3,860)
Interest expense	66,018	21,730	42,782	-	(1,506)
Pass through grant expense	3,955,575	1,301,965	2,563,354	-	(90,256)
Miscellaneous	8,364	2,753	5,420	-	(191)
WIA program costs	1,013,052	-	1,013,052	-	-
Total governmental activities	\$ 8,615,420	\$ 2,502,297	\$ 5,939,658	\$ -	(173,465)
General revenues					
Interest					6,131
Miscellaneous					40,828
Total general revenues					46,959
Change in net assets					
(126,506)					
Net assets at beginning of year					
328,026					
Net assets at end of year					
\$ 201,520					

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2009

	<u>ECIA</u>	<u>WIA</u>	
	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and investments	\$ 320,720	\$ 76,643	\$ 397,363
Accounts receivable	354,619	-	354,619
Grants receivable	161,474	56,548	218,022
Due from other funds	75,019	-	75,019
Prepaid fees and expenses	29,486	-	29,486
	<u>941,318</u>	<u>133,191</u>	<u>1,074,509</u>
Total assets	\$ <u>941,318</u>	\$ <u>133,191</u>	\$ <u>1,074,509</u>
LIABILITIES AND FUND BALANCE			
Liabilities			
Excess of outstanding checks over bank balance	\$ -	\$ 20,808	\$ 20,808
Accounts payable	36,865	28,555	65,420
Accrued liabilities			
Vacation and holiday pay	189,293	-	189,293
Salaries and wages	-	8,539	8,539
Other	91,202	270	91,472
Deferred revenue			
Deferred grant revenue	339,110	-	339,110
Prepaid memberships	10,198	-	10,198
Due to other funds	-	75,019	75,019
	<u>666,668</u>	<u>133,191</u>	<u>799,859</u>
Total liabilities	666,668	133,191	799,859
Fund balance - unreserved	<u>274,650</u>	<u>-</u>	<u>274,650</u>
	\$ <u>941,318</u>	\$ <u>133,191</u>	\$ <u>1,074,509</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
RECONCILIATION OF THE BALANCE SHEET -
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS
June 30, 2009

Fund balance - governmental funds	\$	274,650
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Total net assets reported for governmental activities in the statement of net assets are different from the amount reported above as total governmental funds fund balances because:

Capital assets used in government activities are not financial resources and therefore not reported in the fund statements. Amounts reported for governmental activities in the statement of net assets are as follows:

Governmental capital assets	\$	1,495,873	
Governmental accumulated depreciation		<u>(181,555)</u>	1,314,318

Long term liabilities, including bonds and notes payable, are not due in the current period and therefore not reported in the fund statements. Long-term liabilities reported in the statement of net assets that are not reported in the funds balance sheet are as follows:

General obligation debt		<u>(1,387,448)</u>
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Total net assets - governmental activities	\$	<u><u>201,520</u></u>
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS**
For the year ended June 30, 2009

	ECIA General Fund	WIA Special Revenue Fund	Total
Revenues			
Federal	\$ 645,570	\$ 1,013,052	\$ 1,658,622
State of Iowa	4,085,485	-	4,085,485
State of Wisconsin	788	-	788
Membership fees	90,242	-	90,242
Fees and assessments	237,120	-	237,120
Economic Development Set-Aside and CDBG grant administration	302,792	-	302,792
Agency service billings			
ECIA Business Growth	242,581	-	242,581
Eastern Iowa Regional Housing Authority (EIHRA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,203,798	-	1,203,798
Workforce Investment Act (WIA) grants	456,861	-	456,861
Regional Transit Authority	367,775	-	367,775
EIRUSS	57,988	-	57,988
Interest	6,131	-	6,131
Miscellaneous	40,828	-	40,828
Total revenues	7,737,959	1,013,052	8,751,011
Expenditures			
Salaries, wages and fringe benefits	2,990,557	-	2,990,557
Office supplies	43,512	-	43,512
Operating materials	818	-	818
Conferences and training	51,762	-	51,762
Business travel	115,615	-	115,615
Printing	14,490	-	14,490
Equipment rental and maintenance	17,120	-	17,120
Office maintenance	2,668	-	2,668
Insurance and bonding	23,719	-	23,719
Dues and subscriptions	15,128	-	15,128
Telephone	29,757	-	29,757
Postage	42,466	-	42,466
Rent	36,453	-	36,453
Property taxes	27,064	-	27,064
Utilities	24,105	-	24,105
Advertising	4,635	-	4,635
Professional fees	70,525	-	70,525
Marketing	96,837	-	96,837
Equipment purchases	351,280	-	351,280
Long-term debt principal	35,904	-	35,904
Interest expense	66,176	-	66,176
Pass through grant expense	3,955,575	-	3,955,575
Miscellaneous	9,339	-	9,339
Program and administrative costs	-	1,013,052	1,013,052
Total expenditures	8,025,505	1,013,052	9,038,557
Excess of revenues over expenditures	\$ (287,546)	\$ -	\$ (287,546)

Continued on next page.

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS - CONTINUED
For the year ended June 30, 2009

	<u>ECIA</u> General Fund	<u>WIA</u> Special Revenue Fund	<u>Total</u>
Other financing sources			
Proceeds from long-term borrowing	\$ 308,220	-	\$ 308,220
Total other financing sources	<u>308,220</u>	<u>-</u>	<u>308,220</u>
 Excess of revenues and other financing source over expenditures	 20,674	 -	 20,674
 Fund balance at beginning of year	 <u>253,976</u>	 <u>-</u>	 <u>253,976</u>
 Fund balance at end of year	 <u>\$ 274,650</u>	 <u>\$ -</u>	 <u>\$ 274,650</u>

The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association

Dubuque, Iowa

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

For the year ended June 30, 2009

Net change in fund balances - total governmental funds \$ 20,674

Amounts reported for governmental activities in the statement of activities are different because:

The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities, these costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. Assets disposed of for less than book value (cost - accumulated depreciation) are recorded as losses on disposition of fixed assets.

Capital outlay reported in governmental fund statements	\$	351,280
Land donation		(169,171)
Depreciation expense reported in the statement of activities		<u>(56,973)</u>

Amount by which capital outlays are greater than depreciation and land donation in the current period are:	125,136
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Proceeds from current year debt issues are reported as revenue in the governmental funds, but are reported as long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of proceeds from new debt issues in the current year is:	(308,220)
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Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net assets and does not affect the statement of activities.

The amount of long-term debt principal payments in the current year is:	<u>35,904</u>
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Change in net assets - governmental activities	\$ <u>(126,506)</u>
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The accompanying notes are an integral part of this statement.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity

East Central Intergovernmental Association is organized pursuant to the provisions of Chapters 473A and 28E of the Code of Iowa as a regional planning organization designed to assist local governments in cooperating with one another. The East Central Intergovernmental Association consists of a council of thirty locally elected and appointed officials from the counties of Cedar, Clinton, Delaware, Dubuque, and Jackson. This council, along with ECIA staff, seeks to coordinate relationships among local municipalities, improve communications with federal and state governments and to provide planning and programming assistance.

For financial reporting purposes, the Association has included all of its funds, organizations, agencies, and boards. The Association has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the Association are such that exclusion would cause the Association's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the Association to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the Association. The financial statements presented herein do not include E.C.I.A. Business Growth, Inc. or Eastern Iowa Regional Housing Authority, which have been formed as separate and distinct entities.

The financial statements of the Association consist of the following operations: East Central Intergovernmental Association (a planning agency) and Workforce Investment Act (WIA) (job training and retraining programs administered by the East Central Intergovernmental Association).

2. Basis of Presentation

Association-wide Statements - The statement of net assets and the statement of activities present financial information about the Association's governmental activities. These statements include the financial activities of the overall government in its entirety. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. The Association has no business-type activities or fiduciary funds. However, such activities or funds would be included in these financial statements if they existed.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

2. Basis of Presentation - Continued

Association-wide Statements - Continued - The statement of activities presents a comparison between direct/indirect expenses and revenues for each program of the Association's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular program/grant. Indirect expenses are common entity-wide expenses allocated to programs based on direct labor costs. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues.

Fund Financial Statements - The fund statements provide information about the Association's funds. Separate statements for each fund category -- governmental, proprietary, and fiduciary, as applicable -- are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, as applicable with each displayed in a separate column. All remaining governmental and enterprise funds, as applicable are aggregated and reported as non-major funds. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

The Association reports the following major governmental funds:

General fund - This is the Association's primary operating fund. All financial activity not required to be accounted for in another fund is accounted for in the general fund.

Special revenue fund - This fund accounts for activities associated with providing job training and retraining programs. Revenue sources consist entirely of grants received from the federal government.

3. Measurement Focus and Basis of Accounting

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Association considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

3. Measurement Focus and Basis of Accounting - Continued

Proceeds of general long-term debt and fixed asset acquisitions made under capital leases are reported as other financing sources. Under the terms of grant agreements, the Association may fund certain programs by a combination of specific cost-reimbursement grants, service fees, and general revenues. Therefore, when program expenses are incurred, both restricted and unrestricted net assets may be available to finance the program. It is the Association's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

4. Budgets

The Association, although not legally required to do so, annually adopts a budget on a basis consistent with accounting principles generally accepted in the United States of America. A budget is adopted for the general fund and special revenue fund annually and is amended upon board approval. Appropriations lapse at fiscal year end. The adopted budget and budgetary expenditure control is exercised at the expenditure type level (salaries, rent, etc.).

5. Cash and Investments

The Association's cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from date of acquisition. Cash and investment balances for individual funds are pooled unless regulations require separate investment accounts. The Association's investment policy permits investment of available cash balances in time deposits at any bank or credit union in the State of Iowa, U.S. Treasury obligations, U.S. agency issues and certain repurchase agreements. All investments are stated at fair market value.

6. Receivables

Any amounts reported on the statement of net assets for due to and due from other funds represent amounts due between different fund types (governmental activities, business-type activities and fiduciary funds). Eliminations have been made for amounts due to and due from within the same fund type.

Accounts receivable are shown at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that such allowance would not be material.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

7. Capital Assets

Capital assets are reported at actual cost if available. Estimated cost is used when actual cost is not determinable. Donated assets are reported at estimated fair market value on the date received. Repairs and maintenance are recorded as expenditures; replacements and betterments that extend an asset's life by greater than one year are capitalized.

8. Depreciation

The Association provides for depreciation of equipment and leasehold improvements using annual rates that are sufficient to amortize the cost of depreciable assets over their estimated useful lives using the straight-line method of depreciation. For the year ended June 30, 2009, depreciation expense was \$56,973.

Interest incurred during the construction of capital assets is included as a part of the capitalized value of assets constructed. During the year, \$10,972 was capitalized as part of the cost of assets under construction.

Estimated useful lives are as follows:

Land and building improvements	5-20 years
Building	40 years
Computer equipment	1-3 years
Furniture and equipment	3-10 years
Vehicles	3 years

9. Retirement Plans

Association employees participate in the Iowa Public Employees Retirement System (IPERS). All contributions made by the Association on behalf of its employees are reported as expenditures when earned.

10. Inter-fund Transactions

Quasi-external transactions are accounted for as revenues or expenditures, as appropriate. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as revenues in the fund that is reimbursed.

11. Memorandum Only - Total Columns

Total columns on the governmental fund financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position in conformity with accounting principles generally accepted in the United States. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in aggregation of this data.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

12. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ASSOCIATION-WIDE STATEMENTS

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories. The amounts shown in the columns on the following page represent:

- a. Long-term revenue differences that arise because governmental funds report revenues only when they are considered "available," whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences between recording expenditures for the purchase of fixed assets in the governmental fund statements and capitalizing fixed assets in the Statement of Net Assets and recording depreciation expense on all fixed assets in the Statement of Activities.
- c. Long-term debt transaction differences that occur because proceeds from debt issues and both interest and principal debt payments are recorded as revenues or expenditures, as applicable, in the governmental fund statements, whereas debt proceeds or principal payments are recorded as an increase or decrease in liabilities, as applicable, in the Statement of Net Assets, and interest expense is recorded in the statement of activities as incurred.
- d. Inter-fund transactions are differences that arise because governmental funds include billings for services provided by the Association's general fund to the special revenue fund. These inter-fund transactions are eliminated on the Statement of Activities.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

**NOTE B - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND
ASSOCIATION-WIDE STATEMENTS - CONTINUED**

	Total Governmental Funds	Long-term Revenue/ Expenses	Capital Related Items	Long-term Debt Transactions	Inter-fund Transactions	Statement of Activities Total
Revenues and other source						
Federal	\$ 1,658,622	\$ -	\$ -	\$ -	\$ -	\$ 1,658,622
State of Iowa	4,085,485	-	-	-	-	4,085,485
State of Wisconsin	788	-	-	-	-	788
Membership fees	90,242	-	-	-	-	90,242
Fees and assessments	237,120	-	-	-	-	237,120
Economic Development Set-Aside and CDBG grant administration	302,792	-	-	-	-	302,792
Agency service billings						
ECIA Business Growth	242,581	-	-	-	-	242,581
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,203,798	-	-	-	-	1,203,798
Workforce Investment Act	456,861	-	-	-	(262,097)	194,764
Regional Transit Authority	367,775	-	-	-	-	367,775
EIRUSS	57,988	-	-	-	-	57,988
Interest	6,131	-	-	-	-	6,131
Miscellaneous	40,828	-	-	-	-	40,828
Proceeds from long-term borrowing	308,220	-	-	(308,220)	-	-
Total revenues	9,059,231	-	-	(308,220)	(262,097)	8,488,914
Expenditures						
Salaries, wages and fringe benefits	2,990,557	-	-	-	(211,478)	2,779,079
Office supplies	43,512	-	-	-	(2,150)	41,362
Operating materials	818	-	-	-	(409)	409
Conferences and training	51,762	-	-	-	(1,617)	50,145
Business travel	115,615	-	-	-	(16,957)	98,658
Printing	14,490	-	-	-	(2,204)	12,286
Equipment rental and maintenance	17,120	-	-	-	(3,724)	13,396
Office maintenance	2,668	-	-	-	(4)	2,664
Insurance and bonding	23,719	-	-	-	(2,367)	21,352
Dues and subscriptions	15,128	-	-	-	(1,731)	13,397
Telephone	29,757	-	-	-	(593)	29,164
Postage	42,466	-	-	-	(2,967)	39,499
Rent	36,453	-	-	-	(10,164)	26,289
Property taxes	27,064	-	-	-	(532)	26,532
Utilities	24,105	-	-	-	(316)	23,789
Advertising	4,635	-	-	-	(138)	4,497
Professional fees	70,525	-	-	-	(3,613)	66,912
Marketing	96,837	-	-	-	-	96,837
Depreciation	-	-	56,973	-	-	56,973
Equipment purchases	351,280	-	(351,280)	-	-	-
Land donation	-	-	169,171	-	-	169,171
Long-term debt principal	35,904	-	-	(35,904)	-	-
Interest expense	66,176	-	-	-	(158)	66,018
Pass through grant expense	3,955,575	-	-	-	-	3,955,575
Miscellaneous	9,339	-	-	-	(975)	8,364
WIA program costs	1,013,052	-	-	-	-	1,013,052
Total expenditures	9,038,557	-	(125,136)	(35,904)	(262,097)	8,615,420
Net change for the year	\$ 20,674	\$ -	\$ 125,136	\$ (272,316)	\$ -	\$ (126,506)

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE C - CASH DEPOSITS

Cash and investments as of June 30, 2009, are classified in the accompanying financial statements as follows:

Statement of net assets	
Cash and investments	\$ 397,363
Excess of outstanding	
cash over bank balance	(20,808)
Net assets and investments	\$ <u>376,555</u>

Cash and investments as of June 30, 2009 consist of the following:

	Carrying Amount	Bank Balance
Petty cash	\$ 75	\$ -
Investment checking/savings and money market accounts	376,480	426,985
	\$ <u>376,555</u>	\$ <u>426,985</u>

Investments Authorized by the Association's Investment Policy

The Association is required to invest its funds in accordance with Iowa Statutes. The Association may consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income is allocated to various funds based on their respective participation in accordance with generally accepted accounting principles. Safety of principal is the foremost objective of the Association's investment policy.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The Association limits its exposure to interest rate risk by investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The Association also structures its investment portfolio so that securities mature to meet cash requirements, avoiding the need to sell securities in the open market prior to maturity.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Association minimizes its credit risk by limiting investment types and pre-qualifying the financial institutions, broker/ dealers, intermediaries, and advisers with which the Association will do business.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE C - CASH DEPOSITS - CONTINUED

Concentration of Credit Risk

SFAS 105 defines a concentration of credit risk as an exposure to a number of counterparties engaged in similar activities and having similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Association diversifies its investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, the government's deposits might not be recovered. The Association's deposits at June 30, 2009 were entirely covered by FDIC insurance, collateralized with securities or letters of credit held by the Association or the Association's agent in the Association's name, or by a multiple financial institution collateral pool in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The custodial risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Association does not have an investment policy that would limit the exposure to custodial risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools.

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE

At June 30, 2009, the Association had the following accounts and grants receivable outstanding:

Accounts Receivable

Eastern Iowa Regional Housing Authority	\$ 87,201
Eastern Iowa Regional Partnership, LLP	422
E.I.R.U.S.S	5,161
Local contract charges	142,096
E.C.I.A. Business Growth, Inc.	19,172
Regional Transit Authority	55,822
Asbury EIRP, LLLP	1,062
Other	<u>10,683</u>
Total	<u>\$ 354,619</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE D - ACCOUNTS AND GRANTS RECEIVABLE - CONTINUED

Grants Receivable - ECIA

EPJ NEG	\$ 775
FEMA	1,039
Iowa Department of Economic Development	50,000
Iowa DOT - FHWA planning	27,365
Iowa DOT - MPO	17,256
Iowa DOT - Safe Routes to School	36,678
EDA Grant	28,361
	<u>161,474</u>

Grants Receivable - WIA

WIA Grants	56,548
Total	\$ <u>218,022</u>

NOTE E - PENSION AND RETIREMENT BENEFITS

The Association contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost sharing multiple employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits that are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

Plan members are required to contribute 4.10% of their annual salary and the Association is required to contribute 6.35% of annual covered payroll to the plan. Contribution requirements are established by State statute. The Association's contribution to IPERS for the year ended June 30, 2009 of \$136,887 is equal to the required contribution for the year. The Association's contributions for the years ended June 30, 2008 and 2007 were \$134,914 and \$124,125, respectively, equal to the required contributions for those years.

NOTE F - COMPENSATED ABSENCES

Association employees accumulate vacation hours for subsequent use or for payment upon termination, retirement or death. Sick leave hours accumulate for subsequent use and are not recognized as expenditures by the Association until used. The Association's approximate liability for unrecognized accrued employee benefits at June 30, 2009 is as follows:

Sick leave	\$ <u>432,282</u>
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Sick leave is accumulated at a rate of one day per month to a maximum accumulation of 100 days. Use of sick leave is available only to employees of record. There is no payoff of unused accumulated sick leave upon termination.

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE G - OPERATING LEASE COMMITMENTS

The Association leases shared office space in Manchester, Iowa under a month to month lease. The Association is required to make monthly payments of \$475.

The Association has signed a lease to rent office space in Dubuque from December 1, 2008 to November 30, 2013. The lease requires monthly payments of \$2,053.33.

Future minimum lease payments are as follows:

June 30, 2010	\$	24,640
2011		24,640
2012		24,640
2013		24,640
2014		10,267
	\$	<u>108,827</u>

NOTE H - FIXED ASSETS

A summary of changes in property and equipment comprising general fixed assets is as follows:

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009
Land and land improvements	\$ 383,506	\$ 6,831	\$ 169,074	\$ 221,263
Leasehold improvements	10,299	-	10,299	-
Building	-	1,049,080	-	1,049,080
Equipment and furniture	184,947	58,489	17,906	225,530
Construction in process	763,120	-	763,120	-
Subtotal	<u>1,341,872</u>	<u>1,114,400</u>	<u>960,399</u>	<u>1,495,873</u>
Accumulated Depreciation				
Land improvements	-	1,195	-	1,195
Building	-	25,134	-	25,134
Leasehold improvements	10,299	-	10,299	-
Equipment and furniture	142,391	30,644	17,809	155,226
Accumulated Depreciation	<u>152,690</u>	<u>56,973</u>	<u>28,108</u>	<u>181,555</u>
Total	<u>\$ 1,189,182</u>	<u>\$ 1,057,427</u>	<u>\$ 932,291</u>	<u>\$ 1,314,318</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE I - GENERAL LONG-TERM DEBT

Long-term debt transactions for the year ended June 30, 2009 are as follows:

	<u>Balance at July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2009</u>
Notes payable	\$ 1,115,132	\$ 308,220	\$ 35,904	\$ 1,387,448

Long-term debt at June 30, 2009 is comprised of the following:

<u>Description</u>	<u>Balance at June 30, 2009</u>	<u>Due Within One Year</u>
\$16,754 commercial loan from Dubuque Bank and Trust dated June 20, 2007 and due in monthly installments of \$512, including interest at 6.20% per annum until June 20, 2010.	\$ 5,941	\$ 5,941
\$19,034 commercial loan from East Dubuque Savings Bank dated September 25, 2008 and due in monthly installments of \$573, including interest at 5.24% per annum until September 25, 2011.	14,551	6,264
\$1,392,281 Economic Development Revenue Note, Series 2007 dated October 5, 2007 and due in monthly installments of \$8,565, including interest at 5.20% per annum until October 1, 2032.	<u>1,366,956</u>	<u>29,490</u>
Total	<u>\$ 1,387,448</u>	<u>\$ 41,695</u>

East Central Intergovernmental Association
Dubuque, Iowa
NOTES TO FINANCIAL STATEMENTS - CONTINUED
June 30, 2009

NOTE I - GENERAL LONG-TERM DEBT -CONTINUED

The annual requirements needed to amortize the long-term debt of the Association as of June 30, 2009, are as follows:

Year ended				
June 30,	Principal	Interest	Total	
2010	\$ 41,695	\$ 65,539	\$ 107,234	
2011	40,636	69,021	109,657	
2012	37,535	66,944	104,479	
2013	37,757	65,023	102,780	
2014	39,768	63,012	102,780	
2015-2019	232,957	280,943	513,900	
2020-2024	301,960	211,940	513,900	
2024-2028	391,400	122,500	513,900	
2029-2032	263,740	19,947	283,687	
	<u>\$ 1,387,448</u>	<u>\$ 964,869</u>	<u>\$ 2,352,317</u>	

NOTE J - EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following expenditures had an excess of actual expenditures over budget for the year ended June 30, 2009:

General Fund

Salaries, wages and fringe	
benefits	\$ 557
Office supplies	1,012
Operating materials	818
Conferences and training	11,762
Business travel	15,615
Office maintenance	2,668
Postage	2,466
Professional fees	601
Marketing	9,837

Workforce Investment Act

Administrative expenses	34,652
Program costs	328,400

NOTE K - RISK MANAGEMENT

The Association is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. Settled claims from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

SUPPLEMENTAL INFORMATION

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
For the Year Ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Revenues				
Federal	\$ 570,588	\$ 631,056	\$ 645,570	\$ 14,514
State of Iowa	8,824	4,009,412	4,085,485	76,073
State of Wisconsin	787	787	788	1
Membership fees	90,242	90,242	90,242	-
Fees and assessments	277,674	363,650	237,120	(126,530)
Economic Development Set-Aside and CDBG grant administration	372,359	372,618	302,792	(69,826)
Agency service billings				
ECIA Business Growth	272,415	241,394	242,581	1,187
Eastern Iowa Regional Housing Authority (EIRHA)/ Eastern Iowa Regional Housing Corporation (EIRHC)	1,266,250	1,237,779	1,203,798	(33,981)
Workforce Investment Act	415,992	462,254	456,861	(5,393)
Regional Transit Authority	369,746	367,728	367,775	47
EIRUSS	-	-	57,988	57,988
Interest	2,500	4,507	6,131	1,624
Miscellaneous	-	-	40,828	40,828
Total revenues	3,647,377	7,781,427	7,737,959	(43,468)
Expenditures				
Salaries, wages and fringe benefits	2,942,648	2,990,000	2,990,557	(557)
Office supplies	46,000	42,500	43,512	(1,012)
Operating materials	-	-	818	(818)
Conferences and training	20,000	40,000	51,762	(11,762)
Business travel	90,000	100,000	115,615	(15,615)
Printing	14,000	14,500	14,490	10
Equipment rental and maintenance	10,000	17,766	17,120	646
Office maintenance	-	-	2,668	(2,668)
Insurance and bonding	70,000	24,000	23,719	281
Dues and subscriptions	19,000	17,000	15,128	1,872
Telephone	30,000	30,000	29,757	243
Postage	40,000	40,000	42,466	(2,466)
Rent	27,700	37,000	36,453	547
Property taxes	-	28,000	27,064	936
Utilities	31,600	28,000	24,105	3,895
Advertising	3,000	5,000	4,635	365
Professional fees	46,000	69,924	70,525	(601)
Marketing	46,000	87,000	96,837	(9,837)
Equipment purchases	48,271	354,696	351,280	3,416
Long-term debt principal	38,655	50,000	35,904	14,096
Interest expense	72,900	71,000	66,176	4,824
Pass-through grant expense	-	4,000,000	3,955,575	44,425
Miscellaneous	9,500	10,600	9,339	1,261
Total expenditures	3,605,274	8,056,986	8,025,505	31,481
Excess of revenues over expenditures	42,103	(275,559)	(287,546)	(11,987)

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND - CONTINUED
For the Year ended June 30, 2009

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Amended	Actual	
Other income				
Proceeds of long-term borrowing	\$ 18,000	\$ 308,166	\$ 308,220	\$ 54
	<u>18,000</u>	<u>308,166</u>	<u>308,220</u>	<u>54</u>
Excess of revenues and other income over (under) expenditures	60,103	32,607	20,674	(11,933)
Fund balance at beginning of year	<u>253,976</u>	<u>253,976</u>	<u>253,976</u>	<u>-</u>
Fund balance at end of year	<u>\$ 314,079</u>	<u>\$ 286,583</u>	<u>\$ 274,650</u>	<u>\$ (11,933)</u>

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND
For the Year Ended June 30, 2009

		30	40	45	50	55	65	67	75	80
		FHWA and Section 8 Transportation	General Technical Assistance	ECIA Business Growth	Economic Development Grant	EIRHA	Tax Credit Housing Programs	IFA Tax Credit Compliance	Promise Jobs	Regional Transit RPA/STP
	Totals									
REVENUES										
Federal	\$ 645,570	\$ 157,136	\$ -	\$ -	\$ 59,973	\$ -	\$ -	\$ -	\$ 245,386	\$ 107,737
State of Iowa	4,085,485	-	-	-	105,412	-	-	-	-	-
State of Wisconsin	788	788	-	-	-	-	-	-	-	-
Membership fees	90,242	11,967	18,297	-	34,244	-	-	-	-	21,810
Fees and assessments	237,120	20,211	99,892	-	33,565	-	29,795	38,675	-	1,375
Economic Development Set-Aside and CDBG grant administration	302,792	-	-	-	-	-	-	-	-	-
Agency service billings										
ECIA Business Growth	242,581	-	-	242,581	-	-	-	-	-	-
EIRHA/EIRHC	1,203,798	-	-	-	-	1,197,438	6,360	-	-	-
WIA and related programs	456,861	-	-	-	-	-	-	-	-	-
Regional Transit Authority	367,775	-	-	-	-	-	-	-	-	-
EIRUSS	57,988	-	-	-	-	-	-	-	-	-
Interest	6,131	-	-	-	-	-	-	-	-	-
Miscellaneous	40,828	-	-	-	-	-	-	-	-	-
Proceeds from long-term borrowing	308,220	-	-	-	-	-	-	-	-	-
Total revenues	8,046,179	190,102	118,189	242,581	233,194	1,197,438	36,155	38,675	245,386	130,922
EXPENDITURES										
Salaries, wages and fringe benefits	2,990,557	144,517	94,321	193,296	111,097	1,023,190	33,484	24,101	200,982	102,237
Office supplies	43,512	2,668	1,120	4,046	1,934	14,541	116	277	3,005	2,222
Operating materials	818	-	-	-	-	-	-	-	409	-
Conferences and training	51,762	8,567	3,589	6,591	2,160	7,896	144	2,959	1,340	3,275
Business travel	115,615	7,954	6,197	7,180	3,877	17,027	343	224	15,859	3,959
Printing	14,490	1,071	576	854	504	4,197	114	94	887	396
Equipment rental and maintenance	17,120	434	275	531	311	2,189	30	60	3,831	329
Office maintenance	2,668	171	110	217	137	1,073	13	31	3	103
Insurance and bonding	23,719	949	602	1,219	700	9,337	166	137	1,286	644
Dues and subscriptions	15,128	612	344	2,751	1,688	3,678	111	16	773	333
Telephone	29,757	2,378	296	2,472	1,782	9,890	16	36	848	1,808
Postage	42,466	1,002	946	1,819	677	24,817	348	87	1,570	855
Rent	36,453	902	260	915	511	2,776	58	-	10,397	253
Property taxes	27,064	1,673	1,208	2,328	1,298	9,615	132	296	381	1,263
Utilities	24,105	1,649	1,069	2,142	1,238	7,930	138	239	252	1,082
Advertising	4,635	250	65	252	87	1,010	16	22	144	338
Professional fees	70,525	5,688	1,920	4,050	2,392	19,582	391	7,891	2,662	4,065
Marketing	96,837	-	-	-	96,837	-	-	-	-	-
Depreciation	56,973	3,801	1,083	3,832	1,296	6,271	73	210	641	3,219
Equipment purchases	351,280	-	-	-	-	-	-	-	-	-
Long-term debt principal	35,904	1,681	1,154	2,215	1,252	9,288	131	286	33	1,178
Land donation	169,171	-	-	-	-	-	-	-	-	-
Interest expense	66,176	4,135	3,054	5,871	3,416	23,131	331	879	83	3,363
Pass thru grant expense	3,955,575	-	-	-	-	-	-	-	-	-
Miscellaneous	9,339	-	-	-	-	-	-	-	-	-
Total expenditures	8,251,649	190,102	118,189	242,581	233,194	1,197,438	36,155	37,845	245,386	130,922
Excess of revenues over (under) expenditures	\$ (205,470)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 830	\$ -	\$ -

Continued on next page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2009

	85	86	87	88	89	90	100	105	110
	CDBG Admini- stration	Jumpstart Flood Relief	EDA Flood Grant	Cedar County FEMA PA	FEMA Buyouts	General	WIA	WIA Stimulus	WIA Regency NEG
REVENUES									
Federal	\$ -	\$ -	\$ 72,338	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Iowa	-	3,980,073	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	3,924	-	-	-
Fees and assessments	-	-	-	12,568	1,039	-	-	-	-
Economic Development Set-Aside and CDBG grant administration	300,682	-	-	-	-	-	-	-	-
Agency service billings									
ECIA Business Growth	-	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-	-	-
Workforce Investment Act	-	-	-	-	-	-	262,097	45,082	9,924
Regional Transit Authority	-	-	-	-	-	-	-	-	-
EIRUSS	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	6,131	-	-	-
Miscellaneous	-	-	-	-	-	40,828	-	-	-
Proceeds from long-term debt	-	-	-	-	-	308,220	-	-	-
Total revenues	300,682	3,980,073	72,338	12,568	1,039	359,103	262,097	45,082	9,924
EXPENDITURES									
Salaries, wages and fringe benefits	240,589	21,655	56,314	10,022	689	-	211,478	39,150	8,417
Office supplies	4,044	308	1,199	252	67	-	2,150	148	2
Operating materials	-	-	-	-	-	-	409	-	-
Conferences and training	3,633	119	2,227	63	4	-	1,617	584	79
Business travel	13,174	1,039	700	329	96	-	16,957	2,682	547
Printing	911	105	311	37	1	-	2,204	92	36
Equipment rental and maintenance	672	52	3,646	29	1	-	3,724	-	-
Office maintenance	296	23	90	8	-	-	4	-	-
Insurance and bonding	2,018	159	353	70	7	-	2,367	341	143
Dues and subscriptions	948	57	202	10	1	-	1,731	26	59
Telephone	3,126	717	926	35	1	-	593	118	12
Postage	3,930	460	294	375	49	-	2,967	33	-
Rent	748	-	41	-	-	-	10,164	1,747	342
Property taxes	2,860	316	723	122	8	-	532	-	141
Utilities	2,630	211	680	96	7	-	316	11	3
Advertising	632	98	30	190	1	-	138	20	5
Professional fees	4,824	412	1,146	167	11	-	3,613	130	134
Marketing	-	-	-	-	-	-	-	-	-
Depreciation	5,099	793	608	281	64	25,035	920	-	1
Equipment purchases	-	-	-	-	-	351,280	-	-	-
Long-term debt principal	2,860	236	685	117	7	10,578	55	-	3
Land donation	-	-	-	-	-	169,171	-	-	-
Interest expense	7,688	738	2,163	365	25	-	158	-	-
Pass thru grant expense	-	3,952,575	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	9,339	-	-	-
Total expenditures	300,682	3,980,073	72,338	12,568	1,039	565,403	262,097	45,082	9,924
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (206,300)	\$ -	\$ -	\$ -

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BY PROGRAM - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2009

	114	115	116	117	118	185	200	300	400
	Rockwell Collins SEG	Tri-State Youth Offender	EJP	Eagle/ Deere SEG	Deere/Exide/ Henderson	Jumpstart Federal Projects	Economic Development Set-Aside	Eastern Iowa Utility Service Systems	Regional Transit Authority
REVENUES									
Federal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ -	\$ -	\$ -
State of Iowa	-	-	-	-	-	-	-	-	-
State of Wisconsin	-	-	-	-	-	-	-	-	-
Membership fees	-	-	-	-	-	-	-	-	-
Fees and assessments	-	-	-	-	-	-	-	-	-
Economic Development Set-Aside and CDBG grant administration	-	-	-	-	-	-	2,110	-	-
Agency service billings									
ECIA Business Growth	-	-	-	-	-	-	-	-	-
EIRHA/EIRHC	-	-	-	-	-	-	-	-	-
Workforce Investment Act	4,007	55,347	38,384	33,591	8,429	-	-	-	-
Regional Transit Authority	-	-	-	-	-	-	-	-	367,775
EIRUSS	-	-	-	-	-	-	-	57,988	-
Interest	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	-	-	-	-	-	-	-	-
Total revenues	4,007	55,347	38,384	33,591	8,429	3,000	2,110	57,988	367,775
EXPENDITURES									
Salaries, wages and fringe benefits	3,447	47,439	32,769	29,355	7,468	-	1,918	46,507	306,115
Office supplies	-	-	14	-	1	-	11	835	4,552
Operating materials	-	-	-	-	-	-	-	-	-
Conferences and training	42	325	350	274	142	-	5	262	5,515
Business travel	155	3,725	2,373	1,628	324	-	10	1,504	7,752
Printing	8	211	133	119	17	-	4	288	1,320
Equipment rental and maintenance	-	-	4	-	-	-	3	124	875
Office maintenance	-	-	2	-	-	-	2	51	334
Insurance and bonding	19	346	203	375	42	-	6	306	1,924
Dues and subscriptions	2	191	190	83	3	-	2	154	1,163
Telephone	105	126	134	38	35	-	2	1,995	2,268
Postage	3	-	8	-	3	-	38	253	1,932
Rent	208	2,362	1,590	1,420	359	-	-	192	1,208
Property taxes	-	-	19	-	-	-	13	559	3,577
Utilities	2	69	56	48	1	-	10	550	3,676
Advertising	4	33	20	20	9	-	1	290	960
Professional fees	12	462	424	231	25	-	27	1,504	8,762
Marketing	-	-	-	-	-	-	-	-	-
Depreciation	-	58	20	-	-	-	8	591	3,069
Equipment purchases	-	-	-	-	-	-	-	-	-
Long-term debt principal	-	-	19	-	-	-	12	595	3,519
Land donation	-	-	-	-	-	-	-	-	-
Interest expense	-	-	56	-	-	-	38	1,428	9,254
Pass thru grant expense	-	-	-	-	-	3,000	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Total expenditures	4,007	55,347	38,384	33,591	8,429	3,000	2,110	57,988	367,775
Excess of revenues over (under) expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Continued from previous page.

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
AND COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND
For the Year Ended June 30, 2009

	30 FHWA and FTA Section 8 Transportation 09MPO-ECIA	80 Regional Transit RPA 09RPA-08
REVENUES		
Federal - Planning	\$ 132,527	\$ 92,737
Federal - Safe Routes to School	24,609	15,000
State of Wisconsin	788	-
Membership fees	11,967	21,810
Fees and assessments	20,211	1,375
Total revenues	190,102	130,922
EXPENDITURES		
Salaries, wages and fringe benefits	144,517	102,237
Office supplies	2,668	2,222
Conferences and training	8,567	3,275
Business travel	7,954	3,959
Printing	1,071	396
Equipment rental and maintenance	434	329
Office maintenance	171	103
Insurance and bonding	949	644
Dues and subscriptions	612	333
Telephone	2,378	1,808
Postage	1,002	855
Rent	902	253
Property taxes	1,673	1,263
Utilities	1,649	1,082
Advertising	250	338
Professional fees	5,688	4,065
Depreciation	3,801	3,219
Long-term debt principal	1,681	1,178
Interest expense	4,135	3,363
Total expenditures	190,102	130,922
Federal or state participation percentage	80%	80%
Computed project grant earned	\$ 152,081	\$ 104,737
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:	\$ 132,527	\$ 92,737
Therefore, the grants earned equal:	\$ 132,527	\$ 92,737

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF CUMULATIVE REVENUES AND EXPENDITURES
AND COMPUTATION OF PROJECT GRANTS EARNED - GENERAL FUND - CONTINUED
For the Year Ended June 30, 2009

	50									
	United States Department of Commerce									
	Economic Development Planning Grant									
	05-83-04375-01			05-83-04375-02		05-06-04472		IDED		
	Prior Audit	Current Year	Total	Current Year	Total	EDA	IDED	Sustain-	Collabor-	Total
	1/1-6/30/08	7/1-12/31/08	1/1-12/31/08	1/1-6/30/09	Fiscal Year	Technical	Workforce	ability	ative	Economic
						Assistance	Grant	Grant	Marketing	Development
REVENUES										
Federal - EDA	\$ 36,180	\$ 15,820	\$ 52,000	\$ 27,792	\$ 43,612	\$ -	\$ -	\$ -	\$ -	\$ 43,612
Federal - EDA Technical Assistance	-	-	-	-	-	16,361	-	-	-	16,361
State of Iowa - Planning	3,824	5,000	8,824	4,412	9,412	-	-	-	-	9,412
State of Iowa - Other	4,000	-	4,000	-	-	-	50,000	46,000	-	96,000
Membership fees	50,442	-	50,442	34,244	34,244	-	-	-	-	34,244
Fees and assessments	3,514	-	3,514	5,590	5,590	-	5,000	-	22,975	33,565
Total revenues	97,960	20,820	118,780	72,038	92,858	16,361	55,000	46,000	22,975	233,194
EXPENDITURES										
Salaries, wages and fringe benefits	52,060	20,376	72,436	44,307	64,683	-	19,452	26,962	-	111,097
Office supplies	821	1,259	2,080	675	1,934	-	-	-	-	1,934
Conferences and training	27	1,173	1,200	487	1,660	-	500	-	-	2,160
Business travel	1,884	1,925	3,809	1,952	3,877	-	-	-	-	3,877
Printing	217	189	406	315	504	-	-	-	-	504
Equipment rental and maintenance	114	106	220	205	311	-	-	-	-	311
Office maintenance	13	52	65	85	137	-	-	-	-	137
Insurance and bonding	804	316	1,120	384	700	-	-	-	-	700
Dues and subscriptions	737	1,004	1,741	684	1,688	-	-	-	-	1,688
Telephone	1,324	944	2,268	838	1,782	-	-	-	-	1,782
Postage	315	280	595	397	677	-	-	-	-	677
Rent	4,426	511	4,937	-	511	-	-	-	-	511
Property taxes	1,166	507	1,673	791	1,298	-	-	-	-	1,298
Utilities	942	538	1,480	700	1,238	-	-	-	-	1,238
Advertising	18	34	52	53	87	-	-	-	-	87
Professional fees	1,041	1,124	2,165	1,268	2,392	-	-	-	-	2,392
Marketing	7,001	-	7,001	-	-	16,361	37,224	19,038	24,214	96,837
Depreciation	910	468	1,378	828	1,296	-	-	-	-	1,296
Long-term debt principal	-	595	595	657	1,252	-	-	-	-	1,252
Interest expense	-	957	957	2,459	3,416	-	-	-	-	3,416
Total expenditures	73,820	32,358	106,178	57,085	89,443	16,361	57,176	46,000	24,214	233,194
Add qualifying matching expenses	-	-	-	-	-	43,252	-	-	-	-
Add qualifying expenses paid by other agencies	-	-	-	-	-	-	71,410	-	-	-
Add in-kind matching expenses	-	-	-	-	-	-	3,000	-	-	-
Expense basis for computation of federal and/or state participation in project cost	73,820	32,358	106,178	57,085	89,443	59,613	131,586	46,000		
Federal or state participation percentage	50%	50%	50%	50%	50%	31%	38%	100%		
Computed project grant earned	\$ 36,910	\$ 16,179	\$ 53,089	\$ 28,543	\$ 44,721	\$ 18,224	\$ 50,003	\$ 46,000		
Pursuant to contracts, the grants may not exceed the lesser of the eligible cost incurred multiplied by the percentage of participation or:	\$ 36,180	\$ 15,820	\$ 52,000	\$ 27,792	\$ 43,612	\$ 16,361	\$ 50,000	\$ 46,000		
Therefore, the grants earned equal:	\$ 36,180	\$ 15,820	\$ 52,000	\$ 27,792	\$ 43,612	\$ 16,361	\$ 50,000	\$ 46,000		

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - WORKFORCE INVESTMENT ACT (WIA)
For the Year Ended June 30, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Amended</u>		
Revenues				
Workforce Investment Act (WIA) grants	\$ <u>600,000</u>	\$ <u>650,000</u>	\$ <u>1,013,052</u>	\$ <u>363,052</u>
Total revenues	600,000	650,000	1,013,052	363,052
Expenditures				
Administrative expenses	37,265	37,265	71,917	(34,652)
Program costs	<u>562,735</u>	<u>612,735</u>	<u>941,135</u>	<u>(328,400)</u>
Total expenditures	<u>600,000</u>	<u>650,000</u>	<u>1,013,052</u>	<u>(363,052)</u>
Excess of revenues over expenditures	-	-	-	-
Fund balance at beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance at end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA)
June 30, 2009

Pass-through Entity: Upper Explorerland Regional Planning Commission

Contract Number: East Central Intergovernmental Association and
Upper Explorerland Regional Planning Commission Joint Agreement

Contract Period: July 1, 2008 through June 30, 2009

Program:	Admini- stration	Stimulus Adult	Stimulus Dislocated Worker	Stimulus Admini- stration	Stimulus Youth in School	Stimulus Youth Out of School	Adult Formula	Youth in School Formula	Youth Out of School Formula	Dislocated Worker Formula	Adult DLW Incentive	Adult DLW Incentive	State Set- Aside
Assets													
Cash	\$ 4,135	\$ 2,452	\$ 6,072	\$ 2,285	\$ 9,713	\$ 11,393	\$ 13,471	\$ 3,593	\$ 12,063	\$ 3,006	\$ 1,985	\$ -	\$ -
Grants receivable	-	-	-	696	127	133	-	153	-	857	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,135</u>	<u>\$ 2,452</u>	<u>\$ 6,072</u>	<u>\$ 2,981</u>	<u>\$ 9,840</u>	<u>\$ 11,526</u>	<u>\$ 13,471</u>	<u>\$ 3,746</u>	<u>\$ 12,063</u>	<u>\$ 3,863</u>	<u>\$ 1,985</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balance													
Accounts payable	\$ 235	\$ 1,277	\$ 1,998	\$ -	\$ -	\$ -	\$ 8,162	\$ -	\$ 5,652	\$ -	\$ 1,985	\$ -	\$ -
Due to other funds	3,630	1,175	4,074	2,981	7,063	10,170	5,309	3,746	6,411	3,863	-	-	-
Accrued liabilities													
Salaries and wages	-	-	-	-	2,777	1,356	-	-	-	-	-	-	-
Other	270	-	-	-	-	-	-	-	-	-	-	-	-
Excess of outstanding checks over bank balance	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	4,135	2,452	6,072	2,981	9,840	11,526	13,471	3,746	12,063	3,863	1,985	-	-
Fund balance	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 4,135</u>	<u>\$ 2,452</u>	<u>\$ 6,072</u>	<u>\$ 2,981</u>	<u>\$ 9,840</u>	<u>\$ 11,526</u>	<u>\$ 13,471</u>	<u>\$ 3,746</u>	<u>\$ 12,063</u>	<u>\$ 3,863</u>	<u>\$ 1,985</u>	<u>\$ -</u>	<u>\$ -</u>

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East Central Intergovernmental Association
Dubuque, Iowa
BALANCE SHEET - BY CONTRACT -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
June 30, 2009

Pass-through Entity:	Iowa Workforce Development							Workforce Connections		
Contract Number:	8-W-FR- P8-0-01	9-W-PF- RR-0-03	9-W-PF- RR-0-22	8-W-PF- RR-0-13	8-W-PF- RR-2-10	9-W-PF- RR-0-18	8-W-FR- P6-0-01	9-W-PF- RR-0-30		
Contract Period:	July 1, 2008 through June 30, 2009									
Program:	EPJ NEG	Eagle/ Deere SEG	Rockwell Collins SEG	Deere EI	Eagle EI	John Deere EI	Regency NEG	Deere/Exide Henderson SEG	Youth Offender Expansion	Total
Assets										
Cash	\$ 3,991	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,484	\$ -	\$ 76,643
Grants receivable	3,577	3,129	11,086	-	-	-	-	561	36,229	56,548
Due from other funds	-	-	-	-	-	-	-	-	-	-
	<u>\$ 7,568</u>	<u>\$ 3,129</u>	<u>\$ 11,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,045</u>	<u>\$ 36,229</u>	<u>\$ 133,191</u>
Liabilities and Fund Balance										
Accounts payable	\$ -	\$ -	\$ 9,246	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 28,555
Due to other funds	3,162	2,632	1,473	-	-	-	-	3,045	16,285	75,019
Accrued liabilities										
Salaries and wages	4,406	-	-	-	-	-	-	-	-	8,539
Other	-	-	-	-	-	-	-	-	-	270
Excess of outstanding checks over bank balance	-	497	367	-	-	-	-	-	19,944	20,808
Total liabilities	7,568	3,129	11,086	-	-	-	-	3,045	36,229	133,191
Fund balance	-	-	-	-	-	-	-	-	-	-
	<u>\$ 7,568</u>	<u>\$ 3,129</u>	<u>\$ 11,086</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,045</u>	<u>\$ 36,229</u>	<u>\$ 133,191</u>

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East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA)
For the year ended June 30, 2009

Pass-through Entity:	Upper Explorerland Regional Planning Commission
Contract Number:	East Central Intergovernmental Association and Upper Explorerland Regional Planning Commission Joint Agreement
Contract Period:	July 1, 2008 through June 30, 2009

Program:	Admini- stration	Stimulus Adult	Stimulus Dislocated Worker	Stimulus Admini- stration	Stimulus Youth in School	Stimulus Youth Out of School	Adult Formula	Youth in School Formula	Youth Out of School Formula	Dislocated Worker Formula	Adult DLW Incentive	Adult DLW Incentive	State Set- Aside
Revenues													
Grants	\$ 37,265	\$ 2,422	\$ 63,002	\$ 6,196	\$ 21,666	\$ 22,594	\$ 91,338	\$ 48,153	\$ 88,848	\$ 186,857	\$ 31,212	\$ 6,303	\$ 2,500
Expenditures													
Administration	37,265	-	-	6,196	-	-	-	-	-	-	-	-	-
Training related and support services	-	6	3,138	-	-	-	11,221	3,177	5,106	24,739	-	-	-
Direct training services	-	2,416	59,864	-	21,666	22,594	80,117	44,976	83,742	162,118	31,212	6,303	2,500
Total expenditures	37,265	2,422	63,002	6,196	21,666	22,594	91,338	48,153	88,848	186,857	31,212	6,303	2,500
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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East Central Intergovernmental Association
Dubuque, Iowa
STATEMENT OF REVENUES AND EXPENDITURES -
WORKFORCE INVESTMENT ACT (WIA) - CONTINUED
For the year ended June 30, 2009

Pass-through Entity:	Iowa Workforce Development								Workforce Connections	
Contract Number:	8-W-FR- P8-0-01	9-W-PF- RR-0-03	9-W-PF- RR-0-22	8-W-PF- RR-0-13	8-W-PF- RR-2-10	9-W-PF- RR-0-18	8-W-FR- P6-0-01	9-W-PF- RR-0-30		
Contract Period:	July 1, 2008 through June 30, 2009									
Program:	EPJ NEG	Eagle/Deere SEG	Rockwell Collins SEG	Deere EI	Eagle EI	John Deere EI	Regency NEG	Deere/Exide Henderson SEG	Youth Offender Expansion	Totals
Revenues										
Grants	\$ 129,577	\$ 115,402	\$ 29,686	\$ 2,774	\$ 1,341	\$ 1,051	\$ 11,690	\$ 24,561	\$ 88,614	\$ 1,013,052
Expenditures										
Administration	11,139	12,599	1,020	-	-	-	1,796	1,902	-	71,917
Training related and support services	24,565	12,264	1,331	-	-	-	1,222	1,243	10,023	98,035
Direct training services	93,873	90,539	27,335	2,774	1,341	1,051	8,672	21,416	78,591	843,100
Total expenditures	129,577	115,402	29,686	2,774	1,341	1,051	11,690	24,561	88,614	1,013,052
Excess of revenues over (under) expenditures	-	-	-	-	-	-	-	-	-	-
Fund balance at beginning of year	-	-	-	-	-	-	-	-	-	-
Fund balance at end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
For the year ended June 30, 2009

Grantor/Program	Federal CDFA Number	Agency or Pass-Through Grantor's Number	Accrual Basis Program Disbursements
Direct			
United States Department of Commerce			
EDA Planning Grant	11.302	05-83-04375-01 05-83-04375-02	\$ 15,820 27,792 <hr/> 43,612
Local Technical Assistance	11.303	05-06-04472	16,361
Economic Adjustment Recovery Assistance	11.307	05-69-04681	<hr/> 72,338
Total United States Department of Commerce			132,311
Indirect:			
United States Department of Health and Human Services			
Passed through Upper Explorerland Regional Planning Commission Promise Jobs	93.558	UERPC/ECIA Contract	<hr/> 245,386
Total United States Department of Health and Human Services			245,386
United States Department of Labor			
Passed through the Iowa Workforce Development			
Rapid Response	17.260	Iowa Workforce Dev	174,815
National Emergency Grant	17.260	Iowa Workforce Dev	141,267
Passed through Upper Explorerland Regional Planning Commission			
Workforce Investment Act Cluster (Major Programs)			
Administration	17.258	UERPC/ECIA Contract	43,461
Adult Formula	17.258	UERPC/ECIA Contract	93,760
Youth Offender Expansion	17.259	UERPC/ECIA Contract	88,614
Youth In School Formula	17.259	UERPC/ECIA Contract	69,819
Youth Out of School Formula	17.259	UERPC/ECIA Contract	111,442
Dislocated Worker Formula	17.260	UERPC/ECIA Contract	249,859
State Set Aside		UERPC/ECIA Contract	2,500 <hr/> 659,455
Workforce Investment Act Incentive	17.267	UERPC/ECIA Contract	<hr/> 37,515
Total United States Department of Labor			1,013,052

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE - CONTINUED
For the year ended June 30, 2009

<u>Grantor/Program</u>	<u>Federal CDFA Number</u>	<u>Agency or Pass-Through Grantor's Number</u>	<u>Accrual Basis Program Disbursements</u>
United States Department of Homeland Security Passed through Rebuild Iowa Office Jumpstart Program	97.048	Interim Mortgage Assistance	\$ 3,000
United States Department of Transportation Passed through Iowa Department of Transportation FHWA Planning - RPA FHWA - Planning Safe Routes to School Safe Routes to School	20.515 20.205 20.205 20.205	09-RPA-08 09-MPO-ECIA 07-SRTS-002 07-SRTS-003	92,737 116,690 15,000 24,609
Passed through Illinois Depart- ment of Transportation FHWA Planning	20.515	IDOT Contract	9,537
Passed through Wisconsin Depart- ment of Transportation FHWA Planning	20.515	WisDOT Contract	<u>6,300</u>
Total United States Department of Transportation			<u>264,873</u>
Total Indirect			<u>1,526,311</u>
Total Federal Financial Assistance			<u>\$ 1,658,622</u>

Note: This statement is prepared on the accrual basis of accounting.

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TEMP, S.C.

Certified Public Accountants

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Your Business Safety Net

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

We have audited the financial statements of the East Central Intergovernmental Association ("the Association") as of and for the year ended June 30, 2009, and have issued our report thereon dated November 5, 2009.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Internal Control Over Financial Reporting

The management of the Association is responsible for establishing and maintaining effective internal control. In planning and performing our audit of the financial statements and compliance, we considered the Association's internal control over compliance with requirements that could have a direct and material effect on its compliance with certain provisions of laws, regulations, contracts and grants, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting and internal control over compliance.

Our consideration of internal control over financial reporting and internal control over compliance was for the limited purpose described in the preceding paragraph and could not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect on a timely basis misstatements or noncompliance with applicable requirements with certain provisions of laws, regulations, contracts and grants. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of control deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended for the information of the board, management and federal and state awarding agencies. However, this report is a matter of public record and its distribution is not limited.

Tostlund & Tempel, S. C.

November 5, 2009

TOSTRUD

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TEMP, S.C.

Certified Public Accountants

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La Crosse, WI 54601

Phone: 608-784-8060

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Your Business Safety Net

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO MAJOR PROGRAMS AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH
OMB CIRCULAR A-133

Council Members
East Central Intergovernmental Association
Dubuque, Iowa

Compliance

We have audited the compliance of the East Central Intergovernmental Association ("the Association") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2009. The Association's major federal programs are identified in the Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulation, contracts and grants applicable to each of its federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; Chapter 11 of the Code of Iowa; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Association's compliance with those requirements.

In our opinion, the Association complied, in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2009.

Internal Control Over Compliance

The management of the East Central Intergovernmental Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements that could have a direct effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the governing council, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Tostrud + Torgu, S. C.

November 5, 2009

East Central Intergovernmental Association
Dubuque, Iowa
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2009

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Significant deficiency identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency identified considered to be a material weakness?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Noncompliance material to the financial statements?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Federal Awards

Internal control over financial reporting:

Significant deficiency identified?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no
Significant deficiency identified considered to be a material weakness?	<input type="checkbox"/> yes	<input checked="" type="checkbox"/> no

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Circular A-133
Section .510(1)? ☐ yes ☒ no

Identification of major federal program

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
17.258, 17.259, 17.260	WIA Cluster

Dollar threshold used to distinguish
between Type A and Type B programs \$300,000

Auditee qualified as a low-risk auditee? ☒ yes ☐ no

Section II - Financial Statement Findings

None

Section III - Federal and State Award Findings and Questioned Costs

None